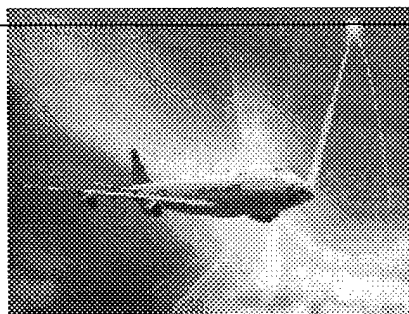


NEWS FROM AFAR

The Air Force Acquisition Reform Newsletter

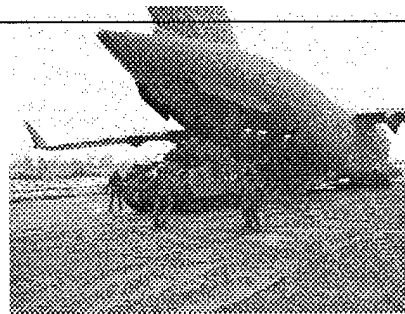


Air Force Places Order for First Airborne Laser (ABL) Aircraft

On 5 Jan 98, the Air Force ordered its first 747 aircraft for the ABL program, using a new voucherless payment process. ABL is an acquisition reform showcase. Purchase of this aircraft is being made using standard commercial practices, i.e., identical to the process airlines use to buy planes. Electronic funds transfer payments are made upon submission of certified, computerized invoices from Boeing Commercial Aircraft Group. Voucherless payments save significant manpower costs for both the Government and contractors. This is the Defense Contract Management Command's (DCMC's) prototype application of this system and as such actual savings are not yet quantified. However, DCMC makes over 34,000 progress payments and commercial item financing payments per year making the potential savings across the De-



partment of Defense immense. POC: Lt Col Mike Devine, SAF/AQPT, DSN 225-0328, comm. (703) 695-0328.



C-17 Flexible Sustainment Contract Awarded to Boeing

On Dec 19, 1997, the Air Force awarded a contract to The Boeing Company, to implement the Flexible Sustainment Program for the C-17 Globemaster III aircraft. The agreement combines Interim

INSIDE

- 2**
 - AF/NRO Partnership Initiative Established
 - Commercial Item Acquisition: Smart Market Research and the Use of Best Commercial Practices
 - ICBM Prime Integration Contract (PIC) Adopts New Approach to Sustainment
 - Total System Performance Responsibility for AMRAAM
- 3**
 - International Merchants Purchase Authorization Card (IMPAC)
 - Global Broadcast System (GBS) Capitalizes on Commercial Technology
 - DSCS IPT Database Makes Acquisition Reform Achievable
- 4**
 - SMC's Source Selection Software Packed With New Features Users Want
 - Internet Construction Solicitations
 - On-line Integrated Product Development Center has Tools for RFP Development
- 5**
 - Performance Specifications for AMRAAM
 - Hazardous Materials (HAZMAT) Management Process Focuses on Reform

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Contractor Support, engine Contractor Logistics Support (subcontracted to a Pratt & Whitney/United Airlines team), and depot level sustainment into one airframe/engine contract. The goal of the program is to increasingly adopt commercial practices by integrating commercial and military industrial bases. "Intelligent Partnerships" between industry and the Air Force are also planned for depot repair of specified components and subsystems (such as landing gear), where the organic source of repair is determined to be the best value. POC: Lt Col Lance Acree, SAF/AQQA, DSN 227-4138, comm. (703) 697-4138.

AF/NRO Partnership Initiative Established

We've established an AF/NRO partnership initiative to better synergize ongoing and future USAF and NRO space programs. This initiative uses AF and NRO funds managed separately by the respective organizations. While program specifics and project selection have not been finalized, the principal senior management group recommended the following candidate projects:

- Space Based Radar ground moving target indicator and tracking
- Improved integration of Space Based Infrared with NRO programs

- Synergistic space based hyperspectral imaging technology

Integrated space based, large scale optics development (necessary for space based directed energy applications, Hubble follow-on, and space based reconnaissance). POC: Maj Gary Kuwashima, SAF/AQSI, DSN 225-9640, comm. 695-5640.

Commercial Item Acquisition: Smart Market Research and the Use of Best Commercial Practices

Falcon AFB, CO used market research, a commercial item description, commercial practices and FAR Part 12 (Acquisition of Commercial Items) terms and conditions for refuse and recycling. A single solicitation covered requirements for five military installations. Falcon did not use a Government Statement of Work; instead they issued a solicitation incorporating commercial specifications of only a few pages. Results: enhanced competition; eliminated 95% of "how to do" specifications; netted 30% savings (\$800K); saved 80% in personnel effort; awarded within 5 months versus normal 12 months; minimal oversight required through use of commercial quality standards. POC: Col Brad Orton, SAF/AQCO, DSN 425-7020 or Lt Col David Mason, SAF/AQCP, DSN 425-7013.

ICBM Prime Integration Contract (PIC) Adopts New Approach to Sustainment

After 40 years, the AF recently adopted a new acquisition philosophy and approach in the way we sustain the ICBM force, changing from government-as-integrator to a single, competitively selected and more efficient Prime Integrating Contractor. We reduced 30 service engineering contracts to one and while we anticipated savings of 10 - 20% over the old way of doing business, competition has afforded us nearly 30% savings. POC: Lt Col Sandra Ludwig, AFPEO/SP, DSN 223-8059, comm. (703) 693-8059

Total System Performance Responsibility for AMRAAM

A new and revolutionary acquisition strategy has been put in place for the Advanced Medium Range Air-to-Air Missile (AMRAAM) program. This has come about as a result of recent changes in the AMRAAM business environment such as the December 1997 merger of Hughes Missile Systems Company into the Raytheon Company. In addition, Congress and DoD mandated manpower reductions, lower missile production quantities, and increased budget pressures. The Air-to-Air Joint Systems Program Office at Eg-

lin Air Force Base, Florida, and Raytheon Missile Systems Company are working toward a "Total Package Deal" to manage the AMRAAM program in the outyears with fewer dollars and fewer people. Under the "Deal," the DoD will agree to transfer certain government activities (configuration control, hardware and test asset management, and simulation and test support) to contractor control in exchange for a long-term agreement to produce AMRAAMs at ever decreasing unit prices. Inherent in the new strategy is the philosophy that the single producing contractor will have Total System Performance Responsibility (TSPR). TSPR for AMRAAM is the acceptance by Raytheon of responsibility to do what is necessary and sufficient to deliver, warrant, and support missiles that are affordable, combat capable, and readily available. TSPR, plus a long-term pricing agreement for locking in future missile average unit procurement costs, will enable the DoD to realize AMRAAM program savings estimated to be over a half billion dollars. POC: Maj Bruce Stark, SAF/AQPF, DSN 227-6483, comm. (703) 697-6483.

International Merchants Purchase Authorization Card (IMPAC)

The IMPAC is a government-wide commercial credit card used to buy supplies

and services costing less than \$2,500. It has empowered Air Force activities to purchase noncomplex requirements directly - faster and, in many cases, cheaper, by bypassing the local Base Supply and Contracting small purchase process. These credit card transactions have substantially increased in recent years. In FY95, there were 322,700 IMPAC actions, while in FY97 the numbers increased to 1,089,169 actions for a savings of \$16.4M in FY97 (a savings of approximately \$15.05 per card action). In addition, this has reduced the cycle time to the customer in acquiring goods or services by 15-30 days per action. This introduction of modern business practices is one of the keys to Defense Reform and making our workforce more effective. Reducing the workload on small contracting actions allows increased attention on the remaining tasks. POC: Ms. Barbara Odgers, SAF/AQCO, DSN 425-7026.

Global Broadcast System (GBS) Capitalizes on Commercial Technology

The Global Broadcast System (GBS) capitalizes on the popular commercial direct broadcast satellite technology to provide multimedia broadcast information to the nation's warfighters. The use of commercial technology and acquisition practices allowed GBS to reduce by 80% the typical de-

velopment cycle and acquisition time. GBS went from USD (A&T) go-ahead to full scale development in just 20 months compared to the usual 104 to 120 months. GBS broke ground for the satellite uplink facility in January 1998, just 2 months after contract award and will have the initial capability to the warfighters seven months after contract award, in June 1998. The reduced development time using commercial technology allows for a rapid deployment of GBS to the warfighter with a significantly reduced cost. POC: Capt Matthew Ryerse, DSN 223-3360, comm. (703) 693-3360.

DSCS IPT Database Makes Acquisition Reform Achievable

The Defense Satellite Communication System (DSCS) team has implemented a database system that enables a reduced workforce to effectively manage all elements of the DSCS program. The system tracks technical, cost, and schedule status for all program actions with associated risk assessments and mitigation plans. The tool also captures strategic planning goals & objectives, a team calendar and TDY/ training forecasts, organization charts and points of contact list, project history, lessons learned, and team action items. Other user-friendly modules document key program decisions, frequently asked questions from the Pentagon, and provide the

contractor with on-line access to monthly award fee assessments. This structure allows "one-stop-shopping" for all program information, providing all team members with visibility into current and future successes and challenges. The system has also enabled the team to convert their recurring meetings to paperless, greatly increasing team member efficiency and reducing waste. Quality Performance Indicators (QPIs) are tracked and graphed to identify areas of concern. As downsizing continues to challenge programs around the country, tools such as this will help to ensure effective and efficient program management is maintained despite these challenges. POC: Capt Andy Sullivan, DSN 833-2071, comm. (310) 336-2071

SMC's Source Selection Software Packed With New Features Users Want

Space and Missile Systems Center (Los Angeles AFB) has released an upgraded Windows 95 version of their Electronic Source Selection (ESS) tool. The development team included a multi-Command users group, the Aerospace Corporation and bd Systems. The tool features an Access-based software platform and makes possible an all-electronic evaluation including the documentation. The basic tool has evolved over the last three years, with a lot of lessons

learned and useful suggestions incorporated over time. This upgrade provides substantial improvements in functionality, reliability, ease of use, and is compliant with the latest FAR 15. Although primarily used as the workhorse for SMC's 110-workstation source selection facility, it is highly portable and can be loaded on a laptop for real time presentation, such as for an SSA briefing or offeror debriefs. POC: Major R.J. Parsons at DSN 833-6392, comm. (310) 363-8392. Aeronautical Systems Center (Wright Patterson AFB) has a Lotus Notes-based source selection application software product with similar capabilities to ESS. The ASC product ("EZ Source") has security features that allow for source selection teaming from more than one location. POC: Lt Phil Parker, DSN 785-2739, comm. (937) 255-2739.

Internet Construction Solicitations

Borrowing an idea from the Corps of Engineers, Air Force Material Command and Air Combat Command solved the technological problem of hosting construction solicitations, including computer designed drawings, on the internet. Once fully implemented, the Air Force expects printing savings of \$100,000 per year per base and up to 20 days in cycle time per base per project. Aeronautical Systems Center at Wright-Patterson AFB for example saved

\$125,000 in printing costs on 14 construction projects during the last six months of FY97. The Air Force will ensure execution of this initiative at all units. POC: Col Brad Orton, SAF/AQCO, DSN 425-7020, comm. (703) 588-7020.

On-line Integrated Product Development Center has Tools for RFP Development

Space and Missile Systems Center has created an extensive tool kit loaded with software to assist customers throughout the pre-award acquisition phase, especially in developing RFPs. The tool kit is housed in the state-of-the-art Integrated Product Development Center at Los Angeles AFB. The center, considered a best practice by AFMC, makes collaborative decision making and strategy-building efficient by using specially designed software with a variety of capabilities, including risk assessment, brainstorming and lessons learned databases. Almost all of the tools are available on-line or by consultation. Interested browsers may access the database at: <http://www.laafb.af.mil>. Go to the **organization** button, enter **AX**, then **AXD**. Future plans call for a mobile capability and enhanced multi-media/internet applications. POC: Capt Shamus Prindiville at DSN 833-3894, commercial 310-363-3894.

Hazardous Materials (HAZMAT) Management Process Focuses on Reform

The Hazardous Materials (HAZMAT) Management Process (HMMP) focuses on risk management, not risk avoidance -- a key tenet of Acquisition Reform. The goal is a business based decision making approach that integrates the Environmental, Safety and Health considerations into the acquisition process to deal with operational needs and reduce weapon system driven hazardous material usage and costs at installations. POC: Lt Col Forbes, SAF/AQRE, DSN 425-7839, comm. (703) 588-7839

Performance Specifications for AMRAAM

The Air-to-Air Joint Systems Program Office has developed an innovative approach to satisfy the objectives of Acquisition Reform for an established program. There are four "pillars" to this approach: established performance-based specifications defining specific customer requirements, give contractor control below the performance specifications, develop a long-term pricing agreement (LTPA) which establishes a stable production and pricing commitment and, finally, give the contractor clear accountability for the product through the concept of total

system performance responsibility (TSPR).

The development of the performance specifications started with a bottoms-up look at the requirements from the Joint System Operational Requirements (JSOR) and the Operational Requirements Document (ORD), along with a complete understanding of the customer's validated requirements. The contractor was then brought in to accurately depict the current "as built" design (i.e., this is what it does). The merging of these products proved to be the best description of the customer's technical requirements. Excerpts from military specifications, when required by the contractors as their adopted process, were included in the body of the specification. Specific "How To" phrases were deleted.

The result of this effort, in context of the overall approach, provided a refined method of procurement for the warfighter's requirements and

the minimization, even elimination, of costly and timely activities that were not of primary importance to the warfighter. The number of controlled specifications went from dozens to one for each missile configuration (i.e., AIM-120B, AIM-120C-5), thus saving the taxpayers millions of dollars of unnecessary documentation and management. It has also allowed for more efficient use of the government infrastructure and has off-loaded bureaucratic responsibilities from the prime contractor. POC: Maj Bruce Stark, SAF/AQPF, DSN 227-6483, comm. (703) 697-6483.

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